



93RD GENERAL ASSEMBLY

State of Illinois

2003 and 2004

HB7340

Introduced 10/25/2004, by Rep. Roger L. Eddy

SYNOPSIS AS INTRODUCED:

20 ILCS 689/5
20 ILCS 689/10
20 ILCS 689/20
20 ILCS 689/25
20 ILCS 689/27 new
30 ILCS 105/5.625 new

Amends the Illinois Renewable Fuels Development Program Act and State Finance Act. Provides that the Department of Commerce and Economic Opportunity shall create and operate an E85 Vehicle Encouragement Program that provides pro rata grant moneys from the E85 Vehicle Encouragement Fund to purchasers of flexible fuel vehicles. Provides that Program grants shall not exceed 10% of the purchase price of the vehicle and that only one Program grant shall be made to the owner of any vehicle during the life of that vehicle. Creates the E85 Vehicle Encouragement Fund. Makes other changes. Effective immediately.

LRB093 23702 RSP 53719 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT concerning renewable fuels.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Renewable Fuels Development
5 Program Act is amended by changing Sections 5, 10, 20, and 25
6 and by adding Section 27 as follows:

7 (20 ILCS 689/5)

8 Sec. 5. Findings and State policy. The General Assembly
9 recognizes that agriculture is a vital sector of the Illinois
10 economy and that an important growth industry for the Illinois
11 agricultural sector is renewable fuels production. Renewable
12 fuels produced from Illinois agricultural products hold great
13 potential for growing the State's economy, reducing our
14 dependence on foreign oil supplies, and improving the
15 environment by reducing harmful emissions from vehicles.
16 Illinois is the nation's leading producer of ethanol, a clean,
17 renewable fuel with significant environmental benefits. The
18 General Assembly finds that reliable supplies of renewable
19 fuels will be integral to the long term energy security of the
20 United States. The General Assembly declares that it is the
21 public policy of the State of Illinois to promote and encourage
22 the production and use of renewable fuels as a means not only
23 to improve air quality in the State and the nation, but also to
24 increase the size of ~~grow~~ the agricultural sector of the
25 Illinois economy. To achieve these public policy objectives,
26 the General Assembly hereby authorizes the creation and
27 implementation of the Illinois Renewable Fuels Development
28 Program within the Department.

29 (Source: P.A. 93-15, eff. 6-11-03.)

30 (20 ILCS 689/10)

31 Sec. 10. Definitions. As used in this Act:

1 "Biodiesel" means a renewable diesel fuel derived from
2 biomass that is intended for use in diesel engines.

3 "Biodiesel blend" means a blend of biodiesel with
4 petroleum-based diesel fuel in which the resultant product
5 contains no less than 1% and no more than 99% biodiesel.

6 "Biomass" means non-fossil organic materials that have an
7 intrinsic chemical energy content. "Biomass" includes, but is
8 not limited to, soybean oil, other vegetable oils, and ethanol.

9 "Department" means the Department of Commerce and Economic
10 Opportunity ~~Community Affairs~~.

11 "Diesel fuel" means any product intended for use or offered
12 for sale as a fuel for engines in which the fuel is injected
13 into the combustion chamber and ignited by pressure without
14 electric spark.

15 "Director" means the Director of Commerce and Economic
16 Opportunity ~~Community Affairs~~.

17 "Ethanol" means a product produced from agricultural
18 commodities or by-products used as a fuel or to be blended with
19 other fuels for use in motor vehicles.

20 "Flexible fuel vehicle" has the meaning set forth in
21 Section 22 of the Alternate Fuels Act.

22 "Fuel" means fuel as defined in Section 1.19 of the Motor
23 Fuel Tax Law.

24 "Gasohol" means motor fuel that is no more than 90%
25 gasoline and at least 10% denatured ethanol that contains no
26 more than 1.25% water by weight.

27 "Gasoline" means all products commonly or commercially
28 known or sold as gasoline (including casing head and absorption
29 or natural gasoline).

30 "Illinois agricultural product" means any agricultural
31 commodity grown in Illinois that is used by a production
32 facility to produce renewable fuel in Illinois, including, but
33 not limited to, corn, barley, and soy beans.

34 "Labor Organization" means any organization defined as a
35 "labor organization" under Section 2 of the National Labor
36 Relations Act (29 U.S.C. 152).

1 "Majority blended ethanol fuel" means motor fuel that
2 contains no less than 70% and no more than 90% denatured
3 ethanol and no less than 10% and no more than 30% gasoline.

4 "Motor vehicles" means motor vehicles as defined in the
5 Illinois Vehicle Code and watercraft propelled by an internal
6 combustion engine.

7 "Owner" means any individual, sole proprietorship, limited
8 partnership, co-partnership, joint venture, corporation,
9 cooperative, or other legal entity, including its agents, that
10 operates or will operate a plant located within the State of
11 Illinois.

12 "Plant" means a production facility that produces a
13 renewable fuel. "Plant" includes land, any building or other
14 improvement on or to land, and any personal properties deemed
15 necessary or suitable for use, whether or not now in existence,
16 in the processing of fuel from agricultural commodities or
17 by-products.

18 "Renewable fuel" means ethanol, gasohol, majority blended
19 ethanol fuel, biodiesel blend fuel, and biodiesel.

20 (Source: P.A. 93-15, eff. 6-11-03; 93-618, eff. 12-11-03;
21 revised 12-6-03.)

22 (20 ILCS 689/20)

23 Sec. 20. Grants. Subject to appropriation from the Build
24 Illinois Bond Fund, the Director is authorized to award
25 Illinois Renewable Fuels Development Program grants to
26 eligible applicants. The annual aggregate amount of grants
27 awarded shall not exceed \$15,000,000.

28 (Source: P.A. 93-15, eff. 6-11-03; 93-618, eff. 12-11-03.)

29 (20 ILCS 689/25)

30 Sec. 25. Project labor agreements.

31 (a) The Illinois Renewable Fuels Development Program
32 project labor agreement must include the following:

33 (1) provisions establishing the minimum hourly wage
34 for each class of labor organization employee;

1 (2) provisions establishing the benefits and other
2 compensation for each class of labor organization
3 employee; and

4 (3) provisions establishing that no strike or disputes
5 will be engaged in by the labor organization employees.

6 The owner of the plant and the labor organizations shall have
7 the authority to include other terms and conditions as they
8 deem necessary.

9 (b) The project labor agreement shall be filed with the
10 Director in accordance with procedures established by the
11 Department. At a minimum, the project labor agreement must
12 provide the names, addresses, and occupations of the owner of
13 the plant and the individuals representing the labor
14 organization employees participating in the project labor
15 agreement. The agreement must also specify the terms and
16 conditions required in subsection (a).

17 (Source: P.A. 93-15, eff. 6-11-03.)

18 (20 ILCS 689/27 new)

19 Sec. 27. E85 Vehicle Encouragement Program.

20 (a) The Department shall create and administer the E85
21 Vehicle Encouragement Program. Under this program, the
22 Department must solicit and collect applications from persons
23 who have purchased a flexible fuel vehicle within the 12-month
24 period prior to submitting the application. At the end of each
25 calendar year, the Department must compile all approved
26 applications, divide 95% of the moneys in the E85 Vehicle
27 Encouragement Fund by the number of approved applications, and
28 distribute these equal shares to the approved applicants. The
29 Department shall adopt necessary rules to implement this
30 Section, including rules for the solicitation, collection, and
31 approval of applications and for the distribution of grants. No
32 grant shall exceed 10% of the purchase price of the vehicle. If
33 any moneys in the Fund are carried over between fiscal years as
34 a result of this 10% cap or for any other reason, the moneys
35 shall be distributed in the following fiscal year as provided

1 under this Section. Only one distribution shall be made to the
2 owner of any vehicle during the life of that vehicle.

3 (b) The E85 Vehicle Encouragement Fund is established as a
4 special fund in the State treasury. Moneys in the Fund may be
5 used, subject to appropriation, only for the purposes set forth
6 in this Section. Interest earned on moneys in the Fund must be
7 deposited into the Fund. Each calendar year 95% of the Fund
8 must be distributed as grants under the this Section. The
9 Department may retain 5% of the money's in the Fund for
10 administrative costs of the Program.

11 (c) The Department shall have access to Secretary of State
12 motor vehicle registration records and other State records to
13 enable verification of these applications.

14 Section 10. The State Finance Act is amended by adding
15 Section 5.625 as follows:

16 (30 ILCS 105/5.625 new)

17 Sec. 5.625. The E85 Vehicle Encouragement Fund.

18 Section 99. Effective date. This Act takes effect upon
19 becoming law.